GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3252
ANSWERED ON:06.09.2007
UTILISATION OF INTERNAL RESOURCES OF SAIL
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Will the Minister of STEEL be pleased to state:

(a) whether any action plan has been formulated by the Government for the optimum utilization of internal resources of Steel Authority of India Ltd. (SAIL) to reduce its cost of production and to set up its own Special Economic Zone (SEZ);

(b) if so, the details thereof;

(c) whether this SEZ would have plots for other steel plants and steel products other than SAIL;

(d) if so, the details thereof; and

(e) the present progress of the said scheme?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): Steel Authority of India Ltd. (SAIL) is undertaking ambitious modernization and expansion plans to increase production of hot metal from present level of 14.6 million tonnes per annum (2006-07) to 26 million tonnes per annum by the year 2010-11 at an indicative cost of Rs.49,000 Crores. The expenditure involved in these programmes is proposed to be funded by SAIL itself from its own internal resources and supplemented by market borrowings, as required. SAIL has taken various steps to rationalize its cost of production, which includes 100% production of steel through Basic Oxygen Furnace (BOF) route, 100% processing of steel through continuous casting, Value addition by reduction of semi finished steel, Auxiliary fuel injection system in all the Blast Furnaces (BF), State of art process control computerization/automation, De-bottlenecking and productivity improvement schemes, Secondary refining and Augmentation of production facility at coal & Iron ore mines.

SAIL plans to develop area adjoining Salem Steel Plant into a steel sector Special Economic Zone (SEZ). To facilitate use of available products of the Salem Steel Plant, SAIL will play anchor role by providing customized inputs to the prospective units which could come up in the areas of cutlery, kitchen and hospital wares, utensil, chemical and pharmaceutical equipment manufacturing, machines for food processing industry, tubes and pipes manufacturers, auto components, panels for lifts etc.

(c)&(d): The steel sector SEZ being planned will have units that would be setting up manufacturing facilities in different areas such as utensils, kitchen and hospital wares, machines and equipment for food processing, chemicals and pharmaceutical sectors, pipes and tubes manufacturers etc. These processing units would be set up by companies other than SAIL. SAIL will provide customized steel input to the processing units in the proposed SEZ. The details of the project will be known only after formulation of project contours such as Master Planning, Detailed Feasibility Report, Utility Planning and Market Study.

(e) The scheme is currently in the planning stage.